

Filed for intro on 02/07/2001
SENATE BILL 1283 By
Dixon

HOUSE BILL 905
By Bowers

AN ACT to amend Tennessee Code Annotated, Title 53; Title 56;
Title 63; Title 68 and Title 71, relative to a pharmaceutical
expense assistance program providing eligibility.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. This act may be cited as the "Prescription Affordability Act for Seniors."

SECTION 2.

(a) There is established a program to provide pharmaceutical expense
assistance to certain low-income elderly individuals.

(b) Eligibility for the program is limited to those individuals who qualify for limited
assistance under the Tennessee medical assistance program as a result of being
eligible for Medicare. Specifically eligible are low-income senior citizens who:

- (1) Are Tennessee residents age sixty-five (65) and over;
- (2) Have an income between ninety percent (90%) and one hundred
twenty percent (120%) of the federal poverty level;
- (3) Are eligible for Medicare;
- (4) Are not enrolled in a Medicare health maintenance organization that
provides a pharmacy benefit; and

(5) Request to be enrolled in the program.

(c) Medications covered under the pharmaceutical expense assistance program are those covered under the medical assistance program. Monthly benefit payments shall be limited to eighty dollars (\$80) per program participant. Participants are required to make a ten percent (10%) coinsurance payment for each prescription purchased through this program.

(d) The pharmaceutical expense assistance program shall be administered by the department of health, in consultation with the Tennessee commission on aging.

(1) The department of health and the commission on aging shall develop a single-page application for the pharmaceutical expense assistance program.

(2) The department of health shall, by rule, establish for the pharmaceutical expense assistance program eligibility requirements, limits on participation, benefit limitations, a requirement for generic drug substitution, and other program parameters comparable to those of the medical assistance programs.

(3) By January 1 of each year, the department of health shall report to the general assembly on the operation of the program. The report shall include information on the number of individuals served, use rates, and expenditures under the program. The report shall also address the impact of the program on reducing unmet pharmaceutical drug needs among the elderly and recommend programmatic changes.

(e) The pharmaceutical expense assistance program established by this section is not an entitlement.

(f) In order for a drug product to be covered under medical assistance or this program, the product's manufacturer shall:

(1) Provide a rebate to the state equal to the rebate required by the medical assistance program; and

(2) Make the drug product available to the program for the best price that the manufacturer makes the drug product available in the medical assistance program.

(g) Reimbursements to pharmacies participating in the pharmaceutical expense assistance program established under this section shall be equivalent to reimbursements under the medical assistance program.

SECTION 3.

(a) As a condition of participation in the Tennessee medical assistance program or the pharmaceutical expense assistance program, a pharmacy must agree to charge any individual who is a Medicare beneficiary and who is a Tennessee resident showing a Medicare card when they present a prescription a price no greater than the cost of ingredients equal to the average wholesale price minus nine percent (9%), and a dispensing fee of four dollars and fifty cents (\$4.50).

(b) In lieu of the provisions of subsection (a), and as a condition of participation in the Tennessee medical assistance program or the pharmaceutical expense assistance program, a pharmacy must agree to:

(1) Provide a private voluntary prescription discount program to state residents who are Medicare beneficiaries; or

(2) Accept a private voluntary discount prescription program from state residents who are Medicare beneficiaries.

SECTION 4. The provisions of this act shall not be construed to be an appropriation of funds and no funds shall be obligated or expended pursuant to this act unless such funds are specifically appropriated by the general appropriations act.

SECTION 5. The commissioner of health is authorized to promulgate rules and regulations to effectuate the purposes of this act. All such rules and regulations shall be promulgated in accordance with the provisions of Tennessee Code Annotated, Title 4, Chapter 5.

SECTION 6. This act shall take effect July 1, 2001.